Agreement with commonwealth Secretariat for Investment of Commonwealth Equity Fund

1189. SHRI KAPIL VERMA:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to enter into an agreement with the Commonwealth Secretariat envisaging investment of the proposed Commonwealth Equity Fund money in the Indian Stock market; and

(b) if so, what are the main outlines of the proposal and the advantages thereof?

THE FINANCE MINISTER (PROF. MADHU DANDAVATE): (a) and (b) The proposal for the Commonwealth Equity Fund to invest in the Indian Stock Market is under consideration.

Performance of Public Sector banks

1190. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the financial performance of the public sector banks is not satisfactory;

(b) whether recommendations of the Sukhmoy Chakravorty Committee are being implemented to tone up the functioning of public sector banks; and

(c) whether any change is contemplated in the existing laws to enable the public and Parliament to get more information about the accounts of public sector banks?

THE FINANCE MINISTER (PROF. MADHU DANDAVATE): (a) The public sector banks have beeen consistently earning profits for the last several years. Their published profits which stood at Rs. 192.23 crores in 1986 have progressively increased to Rs. 261.80 crores in 1987 and to Rs. 364.90 crores in 1988-89 (at the end of March, 1989)

(b) The main recommendations of the Chakravorty report related to development of money market in the country. For this purpose, Reserve Bank of India (RBI) has already taken several measures including setting up of Discount and Finance House of India.

(c) Reserve Bank of India had earlier set up a Committee (Ghosh Committee) to consider *inter-alia* changes in the formats of the final accounts of the banks. Further action in the light of the recommendations of the Committee is receiving the attention of RBI and Government.

Cabinet Committee on Prices

1191. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to refer to the answer to Starred Question 77 given in the Rajya Sabha on the 28th December, 1989 and state:

(a) whether the Cabinet Committee on Prices to review the price situation has since submitted its report;

(b) if so, what action has been taken on the report;

(c) what measures Government have taken to mop up excess liquidity in the economy;

(d) how many times the Committee met and how many members attended the meeting each time and what are the decisions taken thereat; and

(e) whether Government are contemplating a package of measures including fiscal measures to control inflation; if so, what are the details thereof?

THE FINANCE MINISTER (PROF. MADHU DANDAVATE): (a) to (e) The Cabinet Committee on Prices is a Standing Committee to review the price situation and take corrective steps where necessary. The Committee meets as often as required to discuss measures to control inflation. Since